

Appendix 3B

Proposed issue of +securities

Information and documents given to ASX become ASX's property and may be made public.

If you are an entity incorporated outside Australia and you are proposing to issue a new class of +securities other than CDIs, you will need to obtain and provide an International Securities Identification Number (ISIN) for that class. For offers where the +securities proposed to be issued are in an existing class of security, and the event timetable includes rights (or entitlement for non-renounceable issues), and deferred settlement trading or a representation of such, ASX requires the issuer to advise ASX of the ISIN code for the rights (or entitlement), and deferred settlement trading. This code will be different to the existing class. If the securities do not rank equally with the existing class, the same ISIN code will be used for that security to continue to be quoted while it does not rank.

Further information on the requirement for the notification of an ISIN is available from the Create Online Forms page. ASX is unable to create the new ISIN for non-Australian issuers.

*Denotes minimum information required for first lodgement of this form, with exceptions provided in specific notes for certain questions. The balance of the information, where applicable, must be provided as soon as reasonably practicable by the entity.

Part 1 – Entity and announcement details

Question no	Question	Answer
1.1	*Name of entity We (the entity here named) give ASX the following information about a proposed issue of *securities and, if ASX agrees to *quote any of the *securities (including any rights) on a *deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules	Quantum Graphite Limited
1.2	*Registration type and number <i>Please supply your ABN, ARSN, ARBN, ACN or another registration type and number (if you supply another registration type, please specify both the type of registration and the registration number).</i>	ABN 41 008 101 979
1.3	*ASX issuer code	
1.4	*This announcement is <i>Tick whichever is applicable.</i>	<input type="checkbox"/> A new announcement <input checked="" type="checkbox"/> An update/amendment to a previous announcement <input type="checkbox"/> A cancellation of a previous announcement
1.4a	*Reason for update <i>Mandatory only if "Update" ticked in Q1.4 above. A reason must be provided for an update.</i>	Shareholder resolutions 2 and 3 passed at General meeting 28 May 2021
1.4b	*Date of previous announcement to this update <i>Mandatory only if "Update" ticked in Q1.4 above.</i>	22 March 2021

1.4c	*Reason for cancellation <i>Mandatory only if "Cancellation" ticked in Q1.4 above.</i>	
1.4d	*Date of previous announcement to this cancellation <i>Mandatory only if "Cancellation" ticked in Q1.4 above.</i>	
1.5	*Date of this announcement	4 June 2021
1.6	*The proposed issue is: <i>Note: You can select more than one type of issue (e.g. an offer of securities under a securities purchase plan and a placement, however ASX may restrict certain events from being announced concurrently). Please contact your ASX listings compliance adviser if you are unsure.</i>	<input type="checkbox"/> A +bonus issue (complete Parts 2 and 8) <input type="checkbox"/> A standard +pro rata issue (non-renounceable or renounceable) (complete Q1.6a and Parts 3 and 8) <input type="checkbox"/> An accelerated offer (complete Q1.6b and Parts 3 and 8) <input type="checkbox"/> An offer of +securities under a +securities purchase plan (complete Parts 4 and 8) <input type="checkbox"/> A non-+pro rata offer of +securities under a +disclosure document or +PDS (complete Parts 5 and 8) <input type="checkbox"/> A non-+pro rata offer to wholesale investors under an information memorandum (complete Parts 6 and 8) <input checked="" type="checkbox"/> A placement or other type of issue (complete Parts 7 and 8)

Part 7B – Details of proposed placement or other issue - issue details

Question No.	Question	Answer
7B.1	*Class of +securities to be offered under the placement or other issue (please enter both the ASX security code & description)	QGL Ordinary Shares
7B.2	Number of +securities proposed to be issued <i>If the number of securities proposed to be issued is based on a formula linked to a variable (for example, VWAP or an exchange rate or interest rate), include the number of securities based on the variable as at the date the Appendix 3B is lodged with ASX and add a note in the "Any other information the entity wishes to provide about the proposed offer" field at the end of this form making it clear that this number is based on the variable as at the date of the Appendix 3B and that it may change.</i>	7,838,450
7B.3	*Are the +securities proposed to be issued being issued for a cash consideration? <i>If the securities are being issued for nil cash consideration, answer this question "No".</i>	YES
7B.3a	*In what currency is the cash consideration being paid <i>For example, if the consideration is being paid in Australian Dollars, state AUD. Answer this question if your response to Q7B.3 is "Yes".</i>	AUD
7B.3b	*What is the issue price per +security <i>Answer this question if your response to Q7B.3 is "Yes" and by reference to the issue currency provided in your response to Q7B.3a. Note: you cannot enter a nil amount here. If the securities are being issued for nil cash consideration, answer Q7B.3 as "No" and complete Q7B.3d.</i>	\$0.065

Part 7C – Proposed placement or other issue – timetable

Question No.	Question	Answer
7C.1	*Proposed +issue date	

Part 7D – Proposed placement or other issue – listing rule requirements

Question No.	Question	Answer
7D.1	*Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1? <i>Answer this question if the issuer is an ASX Listing (i.e. not an ASX Debt Listing or ASX Foreign Exempt Listing). If the issuer has obtained security holder approval for part of the issue only and is therefore relying on its placement capacity under listing rule 7.1 and/or listing rule 7.1A for the remainder of the issue, the response should be 'no'.</i>	YES

7D.1a	<p>*Date of meeting or proposed meeting to approve the issue under listing rule 7.1</p> <p><i>Answer this question if the issuer is an ASX Listing and your response to Q7D.1 is "Yes".</i></p>	28 May 2021
7D.1b	<p>*Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?</p> <p><i>Answer this question if the issuer is an ASX Listing and your response to Q7D.1 is "No".</i></p>	No
7D.1b(i)	<p>*How many +securities are proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?</p> <p><i>Answer this question the issuer is an ASX Listing, your response to Q7D.1 is "No" and if your response to Q7D.1b is "Yes".</i></p> <p><i>Please complete and separately send by email to your ASX listings adviser a work sheet in the form of Annexure B to Guidance Note 21 confirming the entity has the available capacity under listing rule 7.1 to issue that number of securities.</i></p>	Nil
7D.1c	<p>*Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?</p> <p><i>Answer this question if the issuer is an ASX Listing and your response to Q7D.1 is "No".</i></p>	No
7D.1c(i)	<p>*How many +securities are proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?</p> <p><i>Answer this question if the issuer is an ASX Listing, your response to Q7D.1 is "No" and your response to Q7D.1c is "Yes".</i></p> <p><i>Please complete and separately send by email to your ASX listings adviser a work sheet in the form of Annexure C to Guidance Note 21 confirming the entity has the available capacity under listing rule 7.1A to issue that number of securities.</i></p>	Nil
7D.2	<p>*Is a party referred to in listing rule 10.11 participating in the proposed issue?</p> <p><i>Answer this question if the issuer is an ASX Listing.</i></p> <p><i>Note: If your response is "Yes", this will require security holder approval under listing rule 10.11.</i></p>	Yes
7D.3	<p>*Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?</p> <p><i>Note: the entity should not apply for quotation of restricted securities</i></p>	No
7D.4	<p>*Will any of the +securities to be issued be subject to +voluntary escrow?</p>	No
7D.4a	<p>*Please enter the number and +class of the +securities subject to +voluntary escrow and the date from which they will cease to be subject to +voluntary escrow</p> <p><i>Answer this question if your response to Q7D.4 is "Yes".</i></p>	Nil

Part 7E – Proposed placement or other issue – fees and expenses

Question No.	Question	Answer
7E.1	*Will there be a lead manager or broker to the proposed issue?	No
7E.2	*Is the proposed issue to be underwritten?	No
7E.3	*Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed issue? <i>Answer this question if the issuer is an ASX Listing (i.e. not an ASX Debt Listing or ASX Foreign Exempt Listing) and your response to Q7E.2 is "Yes".</i> <i>Note: If your response is "Yes", this will require security holder approval under listing rule 10.11.</i>	No
7E.4	Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue	

Part 7F – Proposed placement or other issue – further information

Question No.	Question	Answer
7F.1	*The purpose(s) for which the entity is issuing the securities <i>You may select one or more of the items in the list.</i>	<input checked="" type="checkbox"/> To raise additional working capital <input type="checkbox"/> To fund the retirement of debt <input type="checkbox"/> To pay for the acquisition of an asset [provide details below] <input type="checkbox"/> To pay for services rendered [provide details below] <input type="checkbox"/> Other [provide details below] Additional details:
7F.2	*Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?	No
7F.3	Any other information the entity wishes to provide about the proposed issue	